Use the internet to find out the world's five largest stock exchanges.

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What are the benefits to businesses that are listed (trade their shares) on large, well-known stock exchanges?

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Exam Practice

In May 2012, social media giant Facebook's initial public offering (IPO) on the New York NASDAQ Stock Exchange raised $16 billion (the third largest amount in US history) from investors buying shares at $38 apiece. This led to the company's valuation standing at $104 billion, the largest valuation of a newly listed public limited company to date.

1. Define the term 'initial public offering'. [2]

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1. Explain two functions of a stock exchange such as the NASDAQ Stock Exchange. [4]

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1. Comment on why Facebook might have decided to float its shares on the New York Stock Exchange. [4]

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